Case Study No 7

Co-operative Telecommunications

North East Telecommunications Co-operative Ltd

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Co-operative Federation of Victoria Ltd



North East Telecommunications Co-operative Ltd (NetC) is an online service provider located in North East Victoria offering community and business solutions - to enable access, communication exchange, business systems development and information brokerage.

Established in 1999, NetC is Australia's first not for profit (or loss) telecommunications co-operative. It grew out of a community controlled

association that established a "Telecentre" in Wangaratta in 1993 with funding from the Commonwealth Government Telecentre Program. It was decided to convert the telecentre into Australia's first telecommunications co-operative because of the compatibility between community networking and the co-operative form of business.

NetC continues to primarily provide online services to North East Victoria but has now expanded its capacity and is able to offer Internet access to 98% of Australia.

What is NetC?

- a market driven onine services provider:
- a facilitator of controlled change;
- a financially viable co-operative;
- a people centred and people caring organisation;
- building regional relationships for mutual benefit.

NetC's Mission

We provide outstanding alternatives in:

- A comprehensive range of online services
- Technological leadership
- Business and community engagement and support

• Strong relationships with members - using a locally accountable co-operative structure encouraging active member participation for NetC and community arowth

Values

NetC values self-help, personal responsibility, democracy, equality and solidarity. NetC members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Participation

NetC has around 500 co-operative members, and more than 2500 users. NetC is developing a range of member benefit packages such as free online hours and access to free software. Its aim is to convert all users into co-operative members - educating and encouraging them to actively participate and share in the ownership and control of the development of online services in North East Victoria. NetC has developed a community partnership and business partnership packages to ensure that support for these groups is provided in the form of low cost access to online services and training as well as opportunities for independent revenue through commissions and other rewards for the referral of new NetC Members/customers.

Governance

NetC is governed by a Board of seven directors, with extensive experience in business management and a sound knowledge of issues facing small business and community organisations in regional Australia. The Board is currently undertaking a process of strategic planning and review for the co-operative.

NetC has significant experience within the areas of electronic commerce and the Internet, being an active provider of evolving e-commerce solutions since its inception. It has focused on providing quality network facilities for economic, community and cultural development, with an emphasis on community inclusiveness. NetC has developed two unique open source online publishing environments to support this development:

- NetCo-operation for Community portals
- NetC Business for self-created and managed e-commerce websites

NetC has a staff of eight. Executive Officer Peter Jamieson, has been with

the organisation since its inception, and can be credited with providing the vision that sees the co-operative where it stands today, as Australia's only telecommunications co-operative with an expected annual budget in 2003-2004 approaching A\$1 million.

Research at NetC

www.corr.netc.coop

NetC is the proponent behind the establishment of the Centre for Online Regional Research (CORR) – a not for profit public benefit institution. Although based in Wangaratta, CORR is co-operating with a variety of researchers and community groups across North East Victoria, building appropriate linkages across regional and rural Australia as well as overseas. CORR has been established with a grant to NetC from the Federal Government Department of Transport and Regional Services – Regional Solutions Program, an initiative helping regional and rural communities find local solutions to local challenges.

NetC has maintained its strong local market position by building on its community linkages. NetC does not have the financial reserves to compete on price alone in a marketplace were a plethora of ISP's offer local call access at ever decreasing subscription rates. NetC competes by building and sustaining local community and business infrastructure and building a reputation in the local community as an honest broker and as a quality solution provider. The telecommunications market in Australia is very competitive and NetC has to grapple with ongoing financial constraints. NetC has however not only managed to remain in business but has grown to be a significant communications organisation in North East Victoria.

The future

Things are looking up for NetC, with a stabilising of the financial situation coupled with a number of new developments that promise to provide significant benefits to those who choose to become members of the co-operative. NetC believes it demonstrates an important alternative for rural Australians access to online services.

Rules of North East Telecommunications Co-operative Ltd:

http://www.netc.coop/rules



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